

Message Text

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TO AMEMBASSY OTTAWA IMMEDIATE

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SUBJECT: GARRISON DIVERSION UNIT

1. FOLLOWING ARE TEXTS OF INTERIOR MEMORANDA OF JANUARY 14, MARCH 12, AND APRIL 15 ON GARRISON DIVERSION UNIT. MEMORANDA WILL BE INSERTED INTO JUNE 17 CONGRESSIONAL RECORD BY CONGRESSMAN MOORHEAD.

2. BEGIN JANUARY 14, 1975 TEXT: "YOUR MEMORANDUM OF JANUARY 7, 1975 ASKED FOR ADDITIONAL INFORMATION ON POSSIBLE CHANGES TO THE AUTHORIZED GARRISON PROJECT TO ELIMINATE POTENTIAL ADVERSE EFFECTS OF THE PROJECT ON SOURIS RIVER FLOWS INTO CANADA.

"AS YOU WILL NOTE, THE COST AND BENEFIT ESTIMATES FOR THESE ALTERNATIVE PLANS ARE NOT MARKEDLY DIFFERENT FROM EACH OTHER SINCE THE MAJOR FEATURES OR SIZE OF THE PROJECT REMAIN UNCHANGED. THIS, OF COURSE, IS NOT TRUE FOR THE ALTERNATIVE THAT ELIMINATES THE SOURIS LOOP WITH NO SUBSTITUTION OF ADDITIONAL IRRIGATED ACREAGE.

THE BENEFITS AND COSTS SHOWN ARE RECLAMATION'S BEST ESTIMATES AT THIS TIME. THEY HAVE BEEN UPDATED TO ONLY UNCLASSIFIED

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REFLECT CURRENT PRICE LEVELS AND DISCOUNTED AT THE

'AUTHORIZED' LEVEL OF 3 1/8 PERCENT. THEREFORE, THEY SHOULD BE CONSIDERED PRELIMINARY AT BEST.

"TWO BENEFIT-COST RATIOS HAVE BEEN CALCULATED FOR EACH OF THE ALTERNATIVE PLANS: ONE THAT REFLECTS TOTAL BENEFITS, INCLUDING SECONDARY IMPACTS; AND ONE THAT INCLUDES ONLY DIRECT BENEFITS.

"WE DO NOT PLAN TO MAKE THIS INFORMATION AVAILABLE TO THE STATE DEPARTMENT UNTIL WE HAVE A BETTER INDICATION OF CANADA'S POSITION ON GARRISON." END TEXT.

3. TEXT IS FOLLOWED BY 12 PAGES OF PRELIMINARY ANALYSIS OF COST ESTIMATES OF ALTERNATIVES TO PRESENT PLANS FOR THE UNIT. ALL HAVE POSITIVE COST BENEFIT RATIOS, SOME WOULD REQUIRE FURTHER CONGRESSIONAL APPROVAL. THESE ESTIMATES DO NOT INCLUDE OPERATION, MAINTENANCE, AND REPLACEMENT COSTS WHICH COULD BE HIGHLY SIGNIFICANT, PARTICULARLY FOR DESALINIZATION OPTIONS.

4. BEGIN MARCH 12, 1975 TEXT: "YOUR MEMORANDUM OF FEBRUARY 18 ASKED US TO WORK WITH ASSISTANT SECRETARY HUGHES' STAFF AND SUBMIT RECOMMENDATIONS REGARDING HOW THE DEPARTMENT SHOULD PROCEED WITH GARRISON IN LIGHT OF LAST MONTH'S MEETING WITH CANADA.

"IT IS EVIDENT THAT THE CANADIANS ARE INITIALLY TAKING A VERY TOUGH STANCE AGAINST ANY IMPACTS THAT GARRISON MAY HAVE ON WATER QUALITY OR FLOODING OF RIVERS ENTERING CANADA. HOW MUCH OF THIS HARD LINE IS FOR FUTURE POSTURING NO ONE KNOWS.

"YOUR NOTE INDICATED THAT UNDER SECRETARY WHITAKER BELIEVES THIS ISSUE HAS REACHED A STAGE THAT WE SHOULD MAKE A DECISION NOW WHETHER TO PROCEED WITH THE PROJECT AS CURRENTLY PLANNED. THIS IS NOT NECESSARILY TRUE SINCE THE CANADIANS HAVE AGREED TO CONTINUE STUDYING THE SITUATION. THIS STUDY COULD CONCEIVABLY TAKE A YEAR OR TWO WHICH WOULD ALLOW THE DEPARTMENT TO DEFER ANY DECISION
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UNTIL THEN IF IT CHOOSES TO DO SO. IN ANY EVENT, THE DEPARTMENT AND/OR THE STATE DEPARTMENT WILL HAVE TO COME TO GRIPS WITH THIS PROBLEM BEFORE FUNDS ARE APPROPRIATED FOR THE SOURIS LOOP (FY 1978) OR WHEN THE STUDY IS COMPLETED, WHICHEVER COMES FIRST.

"CANADA, AS WELL AS THE STATE DEPARTMENT, STRONGLY ENDORSES THE INTERNATIONAL JOINT COMMISSION (IJC) TO CONDUCT THE STUDY. WHILE I HAVE SOME RESERVATIONS TO ASSIGNING THE STUDY TO IJC, IT WILL BE MOST DIFFICULT TO

PREVENT THEM FROM HAVING THE LEAD ROLE. IJC IS A LONG-STANDING COMMISSION THAT HAS BEEN RECOGNIZED AS THE

APPROPRIATE INSTITUTION FOR RESOLVING PAST INTERNATIONAL BOUNDARY WATER PROBLEMS BETWEEN CANADA AND THE UNITED STATES AND, THEREFORE, THEY SHOULD HAVE JURISDICTION OF THIS STUDY. HOWEVER, THE DEPARTMENT WILL NOT BE IN A GOOD POSITION TO INFLUENCE THE STUDY UNDER IJC, ALTHOUGH GIL STAMM WILL HEAD UP THE ENGINEERING GROUP THAT WILL LIKELY BE ASSIGNED THE RESPONSIBILITIES FOR CARRYING OUT THIS STUDY. ALSO, IT WILL BE EXTREMELY DIFFICULT TO PREVENT IJC FROM GETTING INVOLVED IN THOSE ASPECTS OF THE PROJECT THAT ONLY RELATE TO THE UNITED STATES SINCE SOME OF THE IDENTIFIED ALTERNATIVES DO NOT INVOLVE OR IMPACT WATERS CROSSING THE BORDER. IJC WILL, AT A MINIMUM, STUDY IN DETAIL IMPACTS IN BOTH COUNTRIES FROM THOSE ALTERNATIVES OR ADJUSTMENTS TO THE SOURIS LOOP SUCH AS DESALTING, STAGE DEVELOPMENT, AND DILUTION OF RETURN FLOWS IN LIGHT OF ARTICLE IV OF THE 1909 BOUNDARY WATERS TREATY.

"THE INTERNATIONAL JOINT COMMISSION SHOULD NOT GET INVOLVED IN ANALYZING ALTERNATIVES OR PROJECT MODIFICATIONS THAT DO NOT AFFECT CANADA. THIS HIGHLIGHTS THE IMPORTANCE OF NEGOTIATING THE APPROPRIATE QUESTION TO BE REFERRED TO IJC. WHATEVER QUESTION IS REFERRED TO IJC SHOULD INCLUDE A TIME LIMITATION ON THE STUDY.

"IN ORDER FOR THE DEPARTMENT TO HAVE ADEQUATE INFORMATION ON ALL OF THE POSSIBLE ALTERNATIVE SOLUTIONS TO THE PROBLEM, WE BELIEVE THAT RECLAMATION SHOULD BEGIN IMMEDIATELY TO DEVELOP DETAILED (FEASIBILITY GRADE) ESTIMATES
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OF BENEFITS AND COSTS OF THOSE PROJECT MODIFICATIONS IDENTIFIED IN OUR MEMORANDUM OF JANUARY 14, 1975. SPECIFICALLY, RECLAMATION SHOULD FIRM UP THE CURRENT PRELIMINARY ESTIMATES FOR THESE ALTERNATIVES BY USING MORE PRECISE DATA FOR CALCULATING PROJECT COSTS SUCH AS FOR OPERATION AND MAINTENANCE AND FOR THE BENEFITS (DIRECT ONLY) RESULTING FROM THESE PROPOSALS. THESE ANALYSES SHOULD BE PREPARED ON THE BASIS OF BOTH THE DISCOUNT RATE USED AT THE TIME OF PROJECT AUTHORIZATION (3-1/8 PERCENT) AND THE CURRENT FISCAL YEAR PRINCIPLES AND STANDARDS DISCOUNT RATE OF 5-7/8 PERCENT.

-THE FOREGOING STUDIES BY RECLAMATION SHOULD BE AN INFORMAL EFFORT AND SHOULD NOT BE MADE AVAILABLE TO THE LOCAL INTERESTS NOR TO THE CANADIANS.

"IN SUMMARY, WE RECOMMEND THAT THE FOLLOWING STEPS BE TAKEN IN THE NEAR FUTURE:

"1. NOTIFY STATE DEPARTMENT THAT WE BELIEVE THE ISSUE OF GARRISON RETURN FLOWS SHOULD BE REFERRED TO IJC.

"2. RECOMMEND TO STATE DEPARTMENT THAT IT SCHEDULE A MEETING BETWEEN REPRESENTATIVES OF THE TWO COUNTRIES IN ORDER TO NEGOTIATE THE TERMS OF THE QUESTION TO BE REFERRED TO THE INTERNATIONAL JOINT COMMISSION.

"3. REQUEST THE BUREAU OF RECLAMATION TO PREPARE FEASIBILITY GRADE ESTIMATES OF BENEFITS AND COST FOR THE PROJECT MODIFICATIONS IDENTIFIED IN OUR JANUARY 14, 1975, MEMORANDUM.

"IF YOU CONCUR IN THE ABOVE RECOMMENDED NEXT STEPS WE SHOULD IMMEDIATELY BEGIN TO CARRY THEM OUT." END TEXT.

5. BEGIN APRIL 15 TEXT: "THE DEPUTY UNDER SECRETARY HAS CONCURRED IN YOUR RECOMMENDATIONS OF MARCH 11, 1975, THAT THE DEPARTMENT:

"(1) NOTIFY THE STATE DEPARTMENT THAT INTERIOR BELIEVES THE ISSUE OF GARRISON RETURN FLOWS SHOULD BE REFERRED TO UNCLASSIFIED

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THE INTERNATIONAL JOINT COMMISSION (IJC).

"(2) RECOMMEND TO THE STATE DEPARTMENT THAT IT SCHEDULE A MEETING BETWEEN REPRESENTATIVES OF THE TWO COUNTRIES IN ORDER TO NEGOTIATE THE TERMS OF THE QUESTION TO BE REFERRED TO THE IJC.

"IN ADDITION TO INFORMAL DISCUSSIONS BETWEEN THE DEPARTMENTS, IT WOULD BE APPROPRIATE FOR THE BUREAU OF RECLAMATION TO PREPARE, FOR SIGNATURE BY THE SECRETARY A LETTER TO SECRETARY KISSINGER TO ACCOMPLISH STEPS 1 AND 2 ABOVE. THE LETTER SHOULD BE SUBMITTED TO THE SECRETARY FOR SIGNATURE, THROUGH YOUR OFFICE BY APRIL 25, 1975.

"THE DEPUTY UNDER SECRETARY CONCURRED IN YOUR RECOMMENDATION THAT RECLAMATION PREPARE FEASIBILITY GRADE ESTIMATES OF BENEFITS AND COSTS FOR THE VARIOUS ALTERNATIVES, AND ALSO CONCURRED IN A RECOMMENDATION BY THE ASSISTANT SECRETARY - PROGRAM DEVELOPMENT AND BUDGET THAT RECLAMATION PREPARE BRIEF ENVIRONMENTAL ASSESSMENTS TO ACCOMPANY THE ECONOMIC ANALYSIS OF EACH ALTERNATIVE.

"THE BUREAU OF RECLAMATION SHOULD ALSO PROVIDE THE DEPUTY SECRETARY BY APRIL 25 WITH A MEMORANDUM OUTLINING ITS ANTICIPATED TIME FRAME FOR COMPLETION OF THE ECONOMIC AND

ENVIRONMENTAL ANALYSIS DISCUSSED ABOVE." END TEXT.

6. JANUARY 14 MEMO FROM ASSISTANT SECRETARY HORTON TO UNDER SECRETARY. MARCH 12 MEMO IS FROM HORTON TO DEPUTY UNDER SECRETARY. APRIL 15 MEMO IS FROM ACTING EXECUTIVE

SECRETARY TO HORTON. FULL TEXTS BEING POUCHED. PRESS
GUIDANCE WILL FOLLOW BY SEPTTEL. KISSINGER

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<< END OF DOCUMENT >>

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